



## Senate

General Assembly

**File No. 718**

*January Session, 2007*

Substitute Senate Bill No. 1406

*Senate, May 3, 2007*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING AUTHORIZATION OF STATE GRANT  
COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND  
CHANGES TO THE STATUTES CONCERNING SCHOOL BUILDING  
PROJECTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (*Effective from passage*) The Commissioner of Education
- 2 having reviewed applications for state grants for public school
- 3 building projects in accordance with section 10-283 of the general
- 4 statutes, as amended by this act, on the basis of priorities for such
- 5 projects and standards for school construction established by the State
- 6 Board of Education, and having prepared a listing of all such eligible
- 7 projects ranked in order of priority, including a separate schedule of
- 8 previously authorized projects which have changed substantially in
- 9 scope or cost, as determined by said commissioner together with the
- 10 amount of estimated grant with respect to each eligible project, and
- 11 having submitted such listing of eligible projects, prior to December
- 12 15, 2006, to a committee of the General Assembly established under

13 section 10-283a of the general statutes for the purpose of reviewing  
 14 such listing, is hereby authorized to enter into grant commitments on  
 15 behalf of the state in accordance with said section 10-283 with respect  
 16 to the priority listing of such projects and in such estimated amounts  
 17 as approved by said committee prior to February 1, 2007, as follows:

18 (1) Estimated Grant Commitments.

T1	School District	Estimated	Estimated
T2	School	Project Costs	Grant
T3	Project Number		
T4			
T5	HARTFORD		
T6	Hooker Magnet School		
T7	0293 MAG/EA	\$ 41,775,200	\$ 39,686,440
T8			
T9	NEW HAVEN		
T10	Mauro Interdistrict PK-8 Magnet		
T11	0356 MAG/EA	30,900,000	29,355,000
T12			
T13	WINDHAM		
T14	Windham Interdistrict Magnet		
T15	0071 MAG/N	40,000,000	38,000,000
T16			
T17	BRIDGEPORT		
T18	Aquaculture Center		
T19	0158 VA/EA	31,500,000	29,925,000
T20			
T21	SHELTON		
T22	Grade 5 & 6 Upper Elementary		
T23	0081 EA/PS	41,478,715	17,628,454
T24			
T25	CREC		
T26	Soundbridge		
T27	0092 SP/EA	7,129,000	6,772,550
T28			

T29	CES		
T30	CES/Special Education Center		
T31	0033 SP/EA	7,900,000	7,505,000
T32			
T33	BLOOMFIELD		
T34	Carmen Arace Middle School		
T35	0075 A/RR	28,818,300	14,305,404
T36			
T37	BLOOMFIELD		
T38	Laurel School		
T39	0076 EA	11,027,600	5,474,101
T40			
T41	BLOOMFIELD		
T42	Bloomfield High School		
T43	0077 EA/RR	35,711,300	17,727,089
T44			
T45	BLOOMFIELD		
T46	Metacomet School		
T47	0078 EA	9,683,300	4,806,790
T48			
T49	BLOOMFIELD		
T50	J.P. Vincent School		
T51	0079 EA	9,141,000	4,537,592
T52			
T53	BRIDGEPORT		
T54	Columbus School		
T55	0164 EA	8,650,000	6,920,000
T56			
T57	GREENWICH		
T58	Glenville School		
T59	0110 EA/RR	22,000,000	4,400,000
T60			
T61	MILFORD		
T62	Jonathan Law High School		
T63	0171 EA/EC	2,200,000	887,920

T64			
T65	NEW HAVEN		
T66	East Rock Community School		
T67	0355 N	40,000,000	31,428,000
T68			
T69	SCOTLAND		
T70	Scotland Elementary School		
T71	0008 EA	11,538,000	7,788,150
T72			
T73	SIMSBURY		
T74	Tariffville School		
T75	0102 EA	6,200,000	2,103,660
T76			
T77	STAMFORD		
T78	Cloonan School		
T79	0263 A	357,200	102,052
T80			
T81	WATERFORD		
T82	New Oswegatchie Elem. School		
T83	0100 N	27,755,268	9,814,263
T84			
T85	WOLCOTT		
T86	Wolcott High School		
T87	0075 A	325,000	212,420
T88			
T89	CTHSS - BRISTOL		
T90	Bristol Technical Education Center		
T91	0020 VT/EA	25,844,000	25,844,000
T92			
T93	CTHSS - STRATFORD		
T94	Stratford Sch. for Aviation Maint.		
T95	0021 VT/EA	11,175,000	11,175,000
T96			
T97	EAST HARTFORD		
T98	East Hartford High School		

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T99	0232 EC	650,000	466,635
T100			
T101	GUILFORD		
T102	Calvin Leete School		
T103	0093 A/EC	5,170,000	1,587,707
T104			
T105	MANSFIELD		
T106	Mansfield Middle School		
T107	0066 A	3,800,000	2,795,660
T108			
T109	MILFORD		
T110	Meadowside School		
T111	0172 EC	600,000	242,160
T112			
T113	MILFORD		
T114	Calf Pen Meadow School		
T115	0173 EC	600,000	242,160
T116			
T117	MONTVILLE		
T118	Central Administration		
T119	0090 BE/ A	387,910	137,844
T120			
T121	SOUTH WINDSOR		
T122	Wapping Elementary School		
T123	0076 EC	519,000	235,418
T124			
T125	WOODBIDGE		
T126	Beecher Road School		
T127	0023 EC	145,600	40,564

19 (2) Previously Authorized Projects Which Have Changed  
20 Substantially in Scope or Cost that are Seeking First Reauthorization.

T128	School District	Authorized	Requested
T129	School		

T130	Project Number		
T131			
T132	BLOOMFIELD		
T133	Big Picture Magnet High School		
T134	011-0073 MAG/PF		
T135			
T136	Estimated...		
T137	Total Project Costs	\$ 5,517,500	\$ 6,087,660
T138	Total Grant	5,241,625	5,783,277
T139			
T140	MANCHESTER		
T141	Great Path Academy Magnet		
T142	578-0001 MAG/N		
T143			
T144	Estimated...		
T145	Total Project Costs	28,000,000	32,456,399
T146	Total Grant	28,000,000	32,456,399
T147			
T148	AVON		
T149	Avon High School		
T150	004-0062 EA/RR		
T151			
T152	Estimated...		
T153	Total Project Costs	25,998,000	30,698,000
T154	Total Grant	6,405,907	7,563,987
T155			
T156	BETHEL		
T157	Bethel High School		
T158	009-0057 EA		
T159			
T160	Estimated...		
T161	Total Project Costs	25,315,262	32,337,885
T162	Total Grant	10,488,113	13,397,586
T163			
T164	DANBURY		
T165	New Elementary School		
T166	(Roberts Ave. School Replacement)		
T167	034-0130 N		
T168			
T169	Estimated...		
T170	Total Project Costs	16,816,000	20,600,000

T171	Total Grant	8,288,606	10,153,740
T172			
T173	NEW BRITAIN		
T174	Alternative Behavior Center		
T175	089-0156 N		
T176			
T177	Estimated...		
T178	Total Project Costs	2,255,000	2,255,000
T179	Total Grant	1,787,990	1,787,990
T180			
T181	NEW BRITAIN		
T182	New Britain High School		
T183	089-0157 EA		
T184			
T185	Estimated...		
T186	Total Project Costs	11,630,000	14,294,000
T187	Total Grant	9,221,427	11,333,713
T188			
T189	NEW HAVEN		
T190	Worthington Hooker School		
T191	093-0340 A/RR		
T192			
T193	Estimated...		
T194	Total Project Costs	7,976,391	12,950,000
T195	Total Grant	6,352,398	10,313,380
T196			
T197	NORWALK		
T198	Norwalk High School		
T199	103-0233 EA		
T200			
T201	Estimated...		
T202	Total Project Costs	32,500,000	39,397,861
T203	Total Grant	11,839,750	14,352,641
T204			
T205	NORWALK		
T206	Columbus Elementary School		
T207	103-0234 A/EC		
T208			
T209	Estimated...		
T210	Total Project Costs	3,750,000	4,700,000
T211	Total Grant	1,366,125	1,712,210
T212			

T213	NORWALK		
T214	Tracey School		
T215	103-0235 A/EC		
T216			
T217	Estimated...		
T218	Total Project Costs	4,300,000	4,848,000
T219	Total Grant	1,566,490	1,766,126
T220			
T221	PLAINVILLE		
T222	Louis Toffolon School		
T223	110-0059 EA/RR		
T224			
T225	Estimated...		
T226	Total Project Costs	16,000,000	23,100,000
T227	Total Grant	10,513,600	15,179,010
T228			
T229	STAFFORD		
T230	Stafford High School		
T231	134-0049 RNV/E		
T232			
T233	Estimated...		
T234	Total Project Costs	22,100,000	27,200,000
T235	Total Grant	16,022,500	19,720,000
T236			
T237	STAMFORD		
T238	Springdale School		
T239	135-0257 A/TCH		
T240			
T241	Estimated...		
T242	Total Project Costs	170,207	260,154
T243	Total Grant	51,062	78,046
T244			
T245	WEST HARTFORD		
T246	King Philip Middle School		
T247	155-0219 A		
T248			
T249	Estimated...		
T250	Total Project Costs	1,100,000	1,400,000
T251	Total Grant	463,540	589,960
T252			
T253	WEST HAVEN		
T254	Forest School		

T255	156-0128 EA/RR		
T256			
T257	Estimated...		
T258	Total Project Costs	3,850,000	6,111,878
T259	Total Grant	2,914,835	4,627,303
T260			
T261	REGIONAL SCHOOL DISTRICT #19		
T262	E.O. Smith High School		
T263	at Depot Campus		
T264	219-0017 EA/RR		
T265			
T266	Estimated...		
T267	Total Project Costs	1,998,000	2,725,000
T268	Total Grant	1,669,729	2,277,283

21 (3) Previously Authorized Projects Which Have Changed  
 22 Substantially in Scope or Cost that are Seeking Second  
 23 Reauthorization.

T269	School District	Authorized	Requested
T270	School		
T271	Project Number		
T272			
T273	HARTFORD		
T274	University of Hartford Science and		
T275	Engineering Magnet		
T276	064-0287 MAG/N		
T277			
T278	Estimated...		
T279	Total Project Costs	\$ 36,627,000	\$ 41,605,500
T280	Total Grant	34,795,650	39,525,225
T281			
T282	NEW HAVEN		
T283	New Jepson Interdistrict Magnet		
T284	093-0334 MAG/N		
T285			
T286	Estimated...		
T287	Total Project Costs	37,000,000	40,000,000
T288	Total Grant	37,000,000	40,000,000
T289			
T290	NEW LONDON		
T291	Science/Technology High School		

T292	Magnet		
T293	095-0078 MAG/EA		
T294			
T295	Estimated...		
T296	Total Project Costs	20,625,000	22,625,000
T297	Total Grant	20,625,000	22,625,000
T298			
T299	BRIDGEPORT		
T300	New East End Elementary		
T301	015-0129 N		
T302			
T303	Estimated...		
T304	Total Project Costs	40,955,000	48,077,952
T305	Total Grant	32,764,000	38,462,362
T306			
T307	HAMDEN		
T308	Hamden High School		
T309	062-0091 A		
T310			
T311	Estimated...		
T312	Total Project Costs	1,884,240	2,629,211
T313	Total Grant	1,204,595	1,680,855
T314			
T315	WALLINGFORD		
T316	Cook Hill School		
T317	148-0135 EA		
T318			
T319	Estimated...		
T320	Total Project Costs	5,068,000	5,963,321
T321	Total Grant	2,733,172	3,216,019
T322			
T323	WALLINGFORD		
T324	Highland School		
T325	148-0136 EA		
T326			
T327	Estimated...		
T328	Total Project Costs	5,354,000	6,480,017
T329	Total Grant	2,887,412	3,494,673
T330			
T331	WALLINGFORD		
T332	Parker Farms School		
T333	148-0137 EA		

T334			
T335	Estimated...		
T336	Total Project Costs	3,370,000	5,130,961
T337	Total Grant	1,817,441	2,767,127
T338			
T339	WALLINGFORD		
T340	Pond Hill School		
T341	148-0138 EA		
T342			
T343	Estimated...		
T344	Total Project Costs	3,876,000	4,796,000
T345	Total Grant	2,090,327	2,586,483
T346			
T347	WALLINGFORD		
T348	Evarts C. Stevens School		
T349	148-0140 EA		
T350			
T351	Estimated...		
T352	Total Project Costs	4,784,000	5,718,897
T353	Total Grant	2,580,011	3,084,201
T354			
T355	WALLINGFORD		
T356	Lyman Hall High School		
T357	148-0141 EA		
T358			
T359	Estimated...		
T360	Total Project Costs	13,249,000	15,123,636
T361	Total Grant	7,145,186	8,156,177
T362			
T363	WALLINGFORD		
T364	James H. Moran Middle		
T365	148-0143 EA		
T366			
T367	Estimated...		
T368	Total Project Costs	2,111,000	3,016,920
T369	Total Grant	1,138,462	1,627,025
T370			
T371	WALLINGFORD		
T372	Dag Hammarskjold School		
T373	148-0144 A		
T374			
T375	Estimated...		

T376	Total Project Costs	2,554,000	3,143,270
T377	Total Grant	1,377,372	1,695,166
T378			
T379	WATERTOWN		
T380	Swift Middle School		
T381	153-0048 EA		
T382			
T383	Estimated...		
T384	Total Project Costs	26,576,685	33,758,130
T385	Total Grant	15,565,964	19,772,137

24       Sec. 2. Subdivision (18) of section 10-282 of the general statutes is  
 25       repealed and the following is substituted in lieu thereof (*Effective July*  
 26       *1, 2007*):

27       (18) "Renovation" means a school building project to totally  
 28       refurbish an existing building (A) which results in the renovated  
 29       facility taking on a useful life comparable to that of a new facility and  
 30       which will cost less than building a new facility as determined by the  
 31       department, provided the school district may submit a feasibility study  
 32       and cost analysis of the project prepared by an independent licensed  
 33       architect to the department prior to final plan approval, (B) which was  
 34       not renovated in accordance with this subdivision during the twenty-  
 35       year period ending on the date of application, and (C) of which not less  
 36       than seventy-five per cent of the facility to be renovated is at least  
 37       thirty years old.

38       Sec. 3. Section 10-285a of the general statutes is amended by adding  
 39       subsection (i) as follows (*Effective July 1, 2007*):

40       (NEW) (i) For all projects authorized on or after July 1, 2007, all  
 41       attorneys' fees and court costs related to litigation shall be eligible for  
 42       state school construction grant assistance only if the grant applicant is  
 43       the prevailing party in any such litigation.

44       Sec. 4. Section 10-286d of the general statutes is amended by adding  
 45       subsection (c) as follows (*Effective July 1, 2007*):

46       (NEW) (c) For projects authorized, and sites selected for school use,

47 on and after July 1, 2007, remediation costs of the site and site  
48 improvements eligible for grant assistance under this chapter shall not  
49 exceed twenty-five per cent of the appraised value of the site with  
50 improvements unless the purchase price is such that the sum of the  
51 purchase price plus remediation costs of the site and site  
52 improvements does not exceed one hundred twenty-five per cent of  
53 the appraised value of the site and improvements.

54 Sec. 5. Subdivision (2) of subsection (a) of section 10-283 of the  
55 general statutes is repealed and the following is substituted in lieu  
56 thereof (*Effective July 1, 2007*):

57 (2) Each school building project shall be assigned to a category on  
58 the basis of whether such project is primarily required to: (A) Create  
59 new facilities or alter existing facilities to provide for mandatory  
60 instructional programs pursuant to this chapter, for physical education  
61 facilities in compliance with Title IX of the Elementary and Secondary  
62 Education Act of 1972 where such programs or such compliance  
63 cannot be provided within existing facilities or for the correction of  
64 code violations which cannot be reasonably addressed within existing  
65 program space; (B) create new facilities or alter existing facilities to  
66 enhance mandatory instructional programs pursuant to this chapter or  
67 provide comparable facilities among schools to all students at the same  
68 grade level or levels within the school district unless such project is  
69 otherwise explicitly included in another category pursuant to this  
70 section; and (C) create new facilities or alter existing facilities to  
71 provide supportive services, provided in no event shall such  
72 supportive services include swimming pools, auditoriums, outdoor  
73 athletic facilities, tennis courts, elementary school playgrounds, site  
74 improvement or garages or storage, parking or general recreation  
75 areas. All applications submitted prior to the first day of July in any  
76 year shall be reviewed promptly by the commissioner and the amount  
77 of the grant for which such project is eligible shall be estimated. The  
78 commissioner shall annually prepare a listing of all such eligible school  
79 building projects listed by category together with the amount of the  
80 estimated grants therefor and shall submit the same to the Governor

81 and the General Assembly on or before the fifteenth day of December,  
82 except as provided in section 10-283a, with a request for authorization  
83 to enter into grant commitments. Each such listing submitted after  
84 December 1995 shall include a separate schedule of authorized projects  
85 which have changed in scope or cost to a degree determined by the  
86 commissioner. Notwithstanding any provision of this chapter, no such  
87 project that has changed in scope or cost to the degree determined by  
88 the commissioner, shall be eligible for reimbursement under this  
89 chapter unless it appears on such list. Each such listing submitted after  
90 December 2005 shall include a separate schedule of authorized projects  
91 which have changed in scope or cost to a degree determined by the  
92 commissioner once, and a separate schedule of authorized projects  
93 which have changed in scope or cost to a degree determined by the  
94 commissioner twice. On and after July 1, 2006, no project, other than a  
95 project for a regional vocational-technical school, may appear on the  
96 separate schedule of authorized projects which have changed in cost  
97 more than twice. The percentage determined pursuant to section 10-  
98 285a at the time a school building project on such schedule was  
99 originally authorized shall be used for purposes of the grant for such  
100 project. On and after July 1, 2006, a project that was not previously  
101 authorized as an interdistrict magnet school shall not receive a higher  
102 percentage for reimbursement than that determined pursuant to  
103 section 10-285a at the time a school building project on such schedule  
104 was originally authorized. The General Assembly shall annually  
105 authorize the commissioner to enter into grant commitments on behalf  
106 of the state in accordance with the commissioner's categorized listing  
107 for such projects as the General Assembly shall determine. The  
108 commissioner may not enter into any such grant commitments except  
109 pursuant to such legislative authorization. Any regional school district  
110 which assumes the responsibility for completion of a public school  
111 building project shall be eligible for a grant pursuant to subdivision (5)  
112 or (6), as the case may be, of subsection (a) of section 10-286, when  
113 such project is completed and accepted by such regional school  
114 district.

115 Sec. 6. Subsection (a) of section 10-283b of the general statutes is

116 repealed and the following is substituted in lieu thereof (*Effective July*  
117 *1, 2007*):

118 (a) On and after July 1, 1999, the Commissioner of Education shall  
119 include school building projects for the regional vocational-technical  
120 schools on the list developed pursuant to section 10-283, as amended  
121 by this act. Prior to inclusion on the list, such projects shall be  
122 reviewed by the Department of Public Works. The adoption of the list  
123 by the General Assembly and authorization by the State Bond  
124 Commission of the issuance of bonds pursuant to section 10-287d shall  
125 fund the full cost of the projects. On or after July 1, 2007, the  
126 commissioner may approve applications for grants to assist school  
127 building projects for the regional vocational-technical school system to  
128 remedy damage from fire and catastrophe, to correct safety, health and  
129 other code violations, to replace roofs, to remedy a certified school  
130 indoor air quality emergency, or to purchase and install portable  
131 classroom buildings at any time within the limit of available grant  
132 authorization and to make payments on such a project within the limit  
133 of appropriated funds, provided portable classroom building projects  
134 do not create a new facility or cause an existing facility to be modified  
135 so that the portable buildings comprise a substantial percentage of the  
136 total facility area, as determined by the commissioner. Funds for the  
137 projects shall be transferred to the Department of Public Works and,  
138 upon such transfer, the projects shall be subject to the requirements of  
139 chapters 59 and 60.

140 Sec. 7. Section 10-66hh of the general statutes is repealed and the  
141 following is substituted in lieu thereof (*Effective July 1, 2007*):

142 (a) For the fiscal years ending June 30, 2006, and June 30, 2007, the  
143 Commissioner of Education shall establish, within available bond  
144 authorizations, a grant program to assist state charter schools in  
145 financing (1) school building projects, as defined in section 10-282, as  
146 amended by this act, (2) general improvements to school buildings, as  
147 defined in subsection (a) of section 10-265h, and (3) repayment of debt  
148 incurred prior to July 1, 2005, for school building projects. The

149 governing authorities of such state charter schools may apply for such  
 150 grants to the Department of Education at such time and in such  
 151 manner as the commissioner prescribes. The commissioner shall give  
 152 preference to applications that provide for matching funds from  
 153 nonstate sources.

154 (b) All final calculations for grant awards pursuant to this section in  
 155 an amount equal to or greater than two hundred fifty thousand dollars  
 156 shall include a computation of the state grant amount amortized on a  
 157 straight line basis over a ten-year period. Any state charter school  
 158 which abandons, sells, leases, demolishes or otherwise redirects the  
 159 use of a school building which benefited from such a grant award  
 160 during such amortization period, including repayment of debt for the  
 161 purchase, renovation or improvement of the building, shall refund to  
 162 the state the unamortized balance of the state grant remaining as of the  
 163 date that the abandonment, sale, lease, demolition or redirection  
 164 occurred. The amortization period shall begin on the date the grant  
 165 award is paid. A state charter school required to make a refund to the  
 166 state pursuant to this subsection may request forgiveness of such  
 167 refund if the building is redirected for public use.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2007</i>	10-282(18)
Sec. 3	<i>July 1, 2007</i>	10-285a
Sec. 4	<i>July 1, 2007</i>	10-286d
Sec. 5	<i>July 1, 2007</i>	10-283(a)(2)
Sec. 6	<i>July 1, 2007</i>	10-283b(a)
Sec. 7	<i>July 1, 2007</i>	10-66hh

**ED** Joint Favorable Subst. C/R

FIN

**FIN** Joint Favorable Subst.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Education, Dept.	GOBonds - Cost	See Below	See Below

Note: GOBonds=General Obligation Bonds

#### **Municipal Impact:**

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	Revenue Gain	See Below	See Below

### **Explanation**

Section 1 of the bill authorizes grant commitments totaling \$322.1 million for 31 projects. The interest on such payments is estimated at \$169.1 million for a total state cost of \$491.2 million. Additionally 17 previously authorized projects are changed in scope resulting in an increase in grant commitments of \$55.9 million with estimated interest payment of \$29.9 million resulting in a total cost of \$85.2 million.

Sections 2, 3 and 4 place various limits on eligible costs for school construction costs which result in a future state savings/municipal revenue loss. The exact fiscal impact is dependent on local actions which can not be projected.

Sections 5 and 6 are procedural in nature with regard to State technical High School construction projects and are not anticipated to have any fiscal impact upon the state.

Section 7 results in a potential repayment of school construction funds to the state should a charter school constructed with state funds cease to be used as a charter school.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 1406*****AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND CHANGES TO THE STATUTES CONCERNING SCHOOL BUILDING PROJECTS.*****SUMMARY:**

This bill authorizes \$378.0 million in state grant commitments for school construction projects, including increased grants for reauthorized projects that have changed in cost or scope by at least 10%.

The bill also:

1. requires school renovation projects to meet additional criteria in order to receive a state grant,
2. limits the circumstances under which the state will reimburse school districts for project-related litigation expenses,
3. limits reimbursements for site remediation and improvement costs,
4. gives the education commissioner additional flexibility to approve vocational-technical school projects, and
5. requires charter schools that receive state school construction grants over \$250,000 to repay the unamortized part of the grant if they change the building to a nonschool use within 10 years of receiving the grant.

EFFECTIVE DATE: Upon passage for the new grant commitments and reauthorizations; July 1, 2007 for other provisions.

## §1 – SCHOOL CONSTRUCTION PROJECT AUTHORIZATIONS

The bill authorizes \$322.1 million in state grant commitments for 31 school construction projects of various types as shown in Table 1.

**Table 1: School Projects Authorized**

<b><i>Number of Projects</i></b>	<b><i>Project Type</i></b>	<b><i>Estimated Total Cost</i></b>	<b><i>Estimated Total State Grants</i></b>
3	New schools	\$107,755,268	\$79,242,263
17	Combined extensions and alterations	313,853,115	222,536,746
6	Alterations	38,858,410	19,141,087
5	Energy conservation	2,514,600	1,226,938
<b>31</b>		<b>\$462,981,393</b>	<b>\$322,147,034</b>

The bill also reauthorizes 17 previously authorized projects for the first time and 14 for the second time. These projects have changed substantially (more than 10%) in cost or scope. The reauthorizations increase state grant commitments by \$55.9 million from the amount currently authorized.

## § 2 – RENOVATION PROJECTS

The bill adds two conditions to the grant eligibility requirements for school renovation projects. School districts are currently eligible for school construction grants for school renovation projects if (1) the project results in the renovated building having a useful life comparable to that of a new building and (2) renovation is cheaper than building a new school. In addition, the bill requires that (1) the same school not have been renovated with a state school construction grant within the 20 years before the new grant application date and (2) at least 75% of the building to be renovated is at least 30 years old.

## § 3 – LITIGATION EXPENSES

The State Department of Education currently allows school districts to include attorneys' fees and court costs for project-related litigation in their eligible project costs and to be reimbursed for those costs at the regular rate applicable to the project. For projects authorized on or after July 1, 2007, this bill allows school districts to be reimbursed for project-related litigation expenses only if they win the lawsuit.

#### **§ 4 – SITE REMEDIATION AND IMPROVEMENT COSTS**

The bill limits state school construction reimbursements for site remediation and improvements to no more than 25% of the site's appraised value with improvements. The limit does not apply if the site's purchase price is reduced so the price plus remediation cost is no greater than 125% of the appraised value of the site and the improvements. The new limit applies to projects authorized, and sites for school use selected, on or after July 1, 2007.

#### **§§ 5 & 6 – VOCATIONAL-TECHNICAL SCHOOL PROJECTS**

The bill exempts vo-tech projects from a law limiting to two the number of legislative reauthorizations for a school construction project. It thus allows the General Assembly to authorize three or more changes in cost or scope that exceed 10% for a vocational-technical school project.

The bill also allows the education commissioner, on or after July 1, 2007, to approve, within available grant authorizations and without separate legislative authorization, the same types of emergency and code violation projects for vo-tech schools as he can for other schools. The commissioner's payments on such projects are limited to available appropriated funds. The types of projects are those that (1) fix damage from fire and catastrophes, (2) remedy code violations, (3) replace roofs, (4) remedy certified school indoor air quality emergencies, or (5) buy and install portable classrooms. As with other schools, the commissioner's authority to approve portable classrooms for vo-tech schools applies only if they do not create a new facility or modify an existing facility so that portables become a substantial percentage of the facility's total area.

**§ 7 – CHARTER SCHOOL PROJECTS**

The bill requires charter schools that receive state school facility grants over \$250,000 to repay some of the grant if they stop using the building as a school within 10 years after receiving it. The same grant repayment requirements already apply to other schools receiving state assistance.

The bill requires the education commissioner to amortize the grant over 10 years on a straight-line basis. During the amortization period, if the charter school governing authority takes the building out of service or converts it to a nonschool use, it must repay the unamortized grant balance. A charter school required to make a repayment can ask the state to forgive the repayment if it directs the building to another public use.

**BACKGROUND*****School Construction Grants***

By law, the state reimburses school districts on a sliding scale of from 20% to 80% of their eligible school construction costs, depending on the district's wealth. Districts receive higher reimbursement rates for certain projects, such as regional and interdistrict magnet schools, vocational agriculture, and special education projects and projects that include space for school readiness and all-day kindergarten. Vocational-technical school projects are included on the annual authorization and reauthorization lists the education commissioner submits to the General Assembly, but the projects are 100% state-funded.

**COMMITTEE ACTION**

Education Committee

Joint Favorable Substitute Change of Reference  
Yea 20 Nay 10 (03/29/2007)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea    53    Nay   0    (04/17/2007)